

109TH CONGRESS
2D SESSION

H. R. 4796

To amend title XVIII of the Social Security Act to improve implementation of the Medicare prescription drug benefit.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2006

Mr. MORAN of Kansas (for himself, Mr. JONES of North Carolina, and Mrs. EMERSON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to improve implementation of the Medicare prescription drug benefit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare Account-
5 ability, Bargaining, and Compassion for Part D (ABC for
6 D) Act”.

7 **SEC. 2. SENSE OF CONGRESS.**

8 It is the sense of Congress that—

1 (1) employees and volunteers of the Social Se-
2 curity Administration (SSA), Area Agencies on
3 Aging (AAA), and the State Health Insurance As-
4 sistance Program (SHIP), who have gone above and
5 beyond expectations, should be commended for mak-
6 ing great strides in outreach and education for the
7 Medicare part D prescription drug program;

8 (2) the Centers for Medicare & Medicaid Serv-
9 ices (CMS) should be encouraged to empower their
10 outreach partners to share time and space in order
11 to create (within existing office spaces) “one-stop lo-
12 cations” at which seniors can receive counseling on
13 the low-income subsidy application, as well as plan
14 selection, under such program;

15 (3) decision-making at the local level relating to
16 outreach and education for such program should be
17 encouraged; and

18 (4) if empowered by Centers for Medicare &
19 Medicaid Services, personnel from the Social Secu-
20 rity Administration, Area Agencies on Aging, and
21 the State Health Insurance Assistance Program will
22 be able to coordinate better their efforts and there-
23 fore better serve seniors under such program.

1 **SEC. 3. REQUIRING REGISTRATION OF PDP SPONSORS OF-**
2 **FERING PRESCRIPTION DRUG PLANS WITH**
3 **STATE INSURANCE DEPARTMENT IN EACH**
4 **STATE IN WHICH A PLAN IS OFFERED.**

5 (a) IN GENERAL.—Section 1860D–12(a) of the So-
6 cial Security Act (42 U.S.C. 1395w–112(a)) is amended
7 by adding at the end the following new paragraph:

8 “(4) REGISTRATION IN EACH STATE IN WHICH
9 PRESCRIPTION DRUG PLAN IS OFFERED.—The spon-
10 sor is registered with the State insurance depart-
11 ment in each State in which it offers a prescription
12 drug plan under this part. Such registration shall
13 consist of submitting to such department the fol-
14 lowing:

15 “(A) A certified copy of the sponsor’s char-
16 ter or deed of settlement.

17 “(B) A statement including the name of
18 the sponsor, the place where it is located; and
19 the amount of its capital.

20 “(C) A copy of its last annual report, if
21 such a report was written.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall apply to prescription drug plans of-
24 fered on or after January 1, 2007.

1 **SEC. 4. IMPROVEMENTS IN MEDICARE PRESCRIPTION**
2 **DRUG ENROLLMENT PROCESS.**

3 (a) EXTENDED PERIOD OF OPEN ENROLLMENT
4 DURING ALL OF 2006 FOR PRESCRIPTION DRUG PLANS
5 AND MA PLANS WITHOUT LATE ENROLLMENT PEN-
6 ALTY.—Section 1851(e)(3)(B) of the Social Security Act
7 (42 U.S.C. 1395w–21(e)(3)(B)) is amended—

8 (1) in clause (iii), by striking “May 15, 2006”
9 and inserting “December 31, 2006”; and

10 (2) by adding at the end the following new sen-
11 tence: “An individual making an election during the
12 period beginning on November 15, 2006, and ending
13 on December 31, 2006, shall specify whether the
14 election is to be effective with respect to 2006 or
15 with respect to 2007 (or both).”.

16 (b) PROVIDING PERIOD OF TIME BEFORE EFPEC-
17 TIVENESS OF ELECTIONS AND CHANGES OF ELECTIONS
18 FOR PRESCRIPTION DRUG PLANS AND MA PLANS.—

19 (1) FOR INITIAL ENROLLMENT PERIOD.—Sec-
20 tion 1851(f)(1) of such Act (42 U.S.C. 1395w–
21 21(f)(1)) is amended—

22 (A) by striking “except” and all that fol-
23 lows through “retroactive coverage.” and insert-
24 ing “except as follows.”; and

25 (B) by adding at the end the following new
26 subparagraphs:

1 “(A) Except as the Secretary may provide
2 (consistent with section 1838 and subparagraph
3 (B)) in order to prevent retroactive coverage.

4 “(B) Except such an election of coverage
5 shall take effect not earlier than the date that
6 is 14 days after the date on which such election
7 is made.”.

8 (2) FOR CONTINUOUS ENROLLMENT PERI-
9 ODS.—Section 1851(f)(2) of such Act (42 U.S.C.
10 1395w–21(f)(2)) is amended by striking “following
11 the date” and inserting “that begins at least 14
12 days after the date”.

13 (3) CHANGE IN ANNUAL, COORDINATED ELEC-
14 TION PERIOD TO ALLOW FOR DELAY IN EFFECTIVE-
15 NESS.—Section 1851(e)(3)(B)(iv) of such Act (42
16 U.S.C. 1395w–21(e)(3)(B)(iv)) is amended by strik-
17 ing “December 31” and inserting “December 15”.

18 (4) FOR SPECIAL ENROLLMENT PERIODS.—Sec-
19 tion 1851(f)(4) of such Act (42 U.S.C. 1395w–
20 21(f)(4)) is amended by inserting before the period
21 at the end the following: “and providing adequate
22 notice to providers affected by such an election or
23 change in election”.

24 (5) EFFECTIVE DATES.—

1 (A) INITIAL AND CONTINUOUS ENROLL-
2 MENT PERIODS.—The amendments made by
3 paragraphs (1) and (2) shall not apply—

4 (i) to elections of coverage made be-
5 fore the date of the enactment of this Act;
6 and

7 (ii) to elections of coverage made dur-
8 ing the month in which this Act is enacted
9 if such date of enactment is within the last
10 14 days of such month.

11 (B) ANNUAL, COORDINATED ENROLLMENT
12 PERIODS.—The amendment made by paragraph
13 (3) shall apply to annual, coordinated election
14 periods beginning on or after November 15,
15 2006.

16 (C) SPECIAL ENROLLMENT PERIODS.—The
17 amendment made by paragraph (4) shall apply
18 with respect to such special enrollment periods
19 (beginning after the date of the enactment of
20 this Act) as the Secretary of Health and
21 Human Services shall specify.

1 **SEC. 5. AUTHORIZING FEDERAL NEGOTIATION OF FAIR**
2 **PRICES FOR MEDICARE PRESCRIPTION**
3 **DRUGS ON BEHALF OF MEDICARE BENE-**
4 **FICIARIES.**

5 Section 1860D–11 of the Social Security Act (42
6 U.S.C. 1395–111) is amended by striking subsection (i)
7 (relating to noninterference) and by inserting the fol-
8 lowing:

9 “(i) **AUTHORITY TO NEGOTIATE PRICES WITH MAN-**
10 **UFACTURERS.**—In order to ensure that beneficiaries en-
11 rolled under prescription drug plans and MA–PD plans
12 pay the lowest possible price, the Secretary shall have au-
13 thority similar to that of the Secretary of Veterans Affairs,
14 Secretary of Defense, and the heads of other Federal
15 agencies and departments that purchase prescription
16 drugs in bulk to negotiate contracts with manufacturers
17 of covered part D drugs, consistent with the requirements
18 and in furtherance of the goals of providing quality care
19 and containing costs under this part.”.

20 **SEC. 6. INCREASED FUNDING FOR STATE HEALTH INSUR-**
21 **ANCE COUNSELING PROGRAMS AND SOCIAL**
22 **SECURITY REGIONAL OFFICES FOR MEDI-**
23 **CARE PART D ENROLLMENT.**

24 (a) **SHIP COUNSELING.**—In addition to any amounts
25 otherwise appropriated, there are appropriated out of any
26 funds in the Treasury not otherwise appropriated

1 \$100,000,000 for fiscal year 2006 to the Secretary of
2 Health and Human Services for grants to States under
3 section 4360 of the Omnibus Reconciliation Act of 1990
4 for the purpose of providing outreach and information
5 counseling and assistance with respect to enrollment of
6 part D eligible individuals (as defined in section 1860D–
7 1(a)(3) of the Social Security Act) under prescription drug
8 plans and MA–PD plans under title XVIII of the Social
9 Security Act. Funds appropriated under the preceding
10 sentence shall remain available until expended.

11 (b) SSA REGIONAL OFFICE OUTREACH.—In addition
12 to any amounts otherwise appropriated, there are appro-
13 priated out of any funds in the Treasury not otherwise
14 appropriated \$100,000,000 for fiscal year 2006 to the Ad-
15 ministrator of Social Security for the purposes of con-
16 tinuing outreach and education efforts for the purpose of
17 providing outreach and education by regional offices of the
18 Social Security Administration with respect to enrollment
19 of part D eligible individuals under prescription drug
20 plans and MA–PD plans under title XVIII of the Social
21 Security Act. Funds appropriated under the preceding
22 sentence shall remain available until expended.

23 (c) OFFSET.—Notwithstanding any other provision of
24 law, the amount of funds available for obligation under
25 section 1858(e)(2)(A)(i) of the Social Security Act (42

1 U.S.C. 1395w-27a(e)(2)(A)(i)) are hereby reduced by the
2 amount of funds appropriated under subsections (a) and
3 (b).

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